

Commence

THE BUSINESS QUARTERLY



VOLUME XVIII
Number 2

SUMMER
1953

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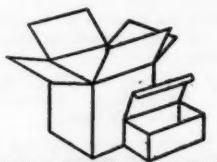
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THE BUSINESS QUARTERLY

About Our Authors . . .

This issue of The Business Quarterly has a decidedly Western flavour since three of the contributors are members of the Faculty of the University's School of Business Administration and a fourth contributor is a graduate of the University.

Our one outside contributor, a description which should in no way reflect on the interest of his article, is F. R. M. Bulmer. Mr. Bulmer, a University of Toronto graduate, has been Research Physician with the Division of Industrial Hygiene, Ontario Department of Health since 1924. During the war years he was concerned with medical services and protective health arrangements for plants handling military explosives and chemicals. It is from this background that Mr. Bulmer has prepared his article discussing recent developments in Industrial Hygiene.

Irene E. Elliott is a Research Associate at the School of Business Administration. Her work at the School has been largely in the field of labour-management relations out of which has come her most interesting study of the growth of office worker unions. Mrs. Elliott holds an L.L.B. and an M.A. from the University of Toronto and spent two years at the London School of Economics doing research into various aspects of collective bargaining.

A recent addition to the Faculty of the School of Business Administration is Professor F. W. P. Jones, who came to the School in January of this year to work in the marketing area. Professor Jones was long associated with Hobbs Glass Company, now merged

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About Our Authors . . .

with Canadian Pittsburgh Industries, Limited, of which company he is now a director. Professor Jones was for many years the Sales Manager of Hobbs Glass Limited, and in this capacity did much of the thinking which lead to the sales force recruiting and training program which he so ably describes.

Archie D. Cherniak, who prepared the article on Retail Store Hours, a subject in which he has long been interested, holds a B.A. from Western as well as from California. Since 1931, he has been engaged in various retailing activities in the Western Ontario area. At present, Mr. Cherniak is the president of Stuart Fashions Limited, and director of a number of other concerns.

Our third Western Professor, and a frequent contributor to The Business Quarterly is Brant Bonner. Dr. Bonner holds degrees from the Universities of Chicago and North Carolina. He is very active in the affairs of the American Society for Quality Control and was the guiding force in the establishment of the Western Ontario section of that organization. At the School of Business Administration, he works largely in the area of statistics and his article on forecasting is based on work which he has done at the School.



In forthcoming issues, The Business Quarterly plans to present articles discussing "Comprehensive Design Policy" and "Problems of Mental Health in Industry". We shall also have an article describing the current state of the Book Publishing Industry and one dealing with Industrial Pension Plans.



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Retail Store Hours

A. D. Cherniak

This is a lively discussion of the changing retail store week, its significance in relationship to general living patterns, special problems of evening openings, number of operating days, and the weekly working pattern of individual members of a retailing establishment, and the effects of recent experiments. Mr. Cherniak's comments illustrate his claim that a reassessment of the store hour problem may lead to a change that is "good for business — and for society as a whole".

LAST Spring, for the first time in Canada on a year-round basis, the five day store week was started in London by Simpson's, along with a small group of other London stores. At the same time, Friday hours were extended to 9 p.m. for a full evening opening. This is one solution to the problem created by two conflicting trends which are now evident in retailing: evening shopping hours for greater customer convenience, as opposed to the shorter work week for retail personnel. Although this is an increasingly important problem to retail outlets of almost every kind, this article will be confined to the problems of department and specialty stores, particularly those in downtown areas.

Prewar and Wartime Practice

In "the good old days", conditions of employment were never very good for retail personnel, including most of the owners and executives as well as regular employees. Most stores were open from early in the morning until late at night. Many of the largest and most successful stores were open six full days and at least one evening. Everybody worked the full schedule, with time out only for lunch and supper. However, long hours were general in every field, and retailing was little different.

The advent and general acceptance of the 40 hour week in industry and shorter hours in offices gradually forced retailers to move in the same direction. The progress, however, was very slow, and until not very long ago retailing was considered backward in this respect, and rightly so. The larger stores in the metropolitan areas took the lead, eliminating evening hours almost completely, and some stores closed on Saturdays during July and August. In many medium and small communities, the practice of closing Wednesday afternoons during the sum-

mer was inaugurated, and in a number of cases this practice was extended to a year-round basis — except before Christmas, often with the aid of a local by-law to impose uniformity in the community. There was little improvement, if any, in most neighbourhood shopping areas in the larger cities.

The large stores were the first to adopt the shorter work week for retail personnel. Many stores took this step voluntarily as part of a program of improved personnel relations. Others followed suit because of the competition for capable personnel. Still others followed because of pressure of labour unions or the threat of union organization.

Since the shorter work week was now considerably shorter than the number of hours the store was open for business, the problem of staggering staffs to give adequate coverage at all hours arose. This presented many new problems to management. The number of personnel had to be increased to do the same sales volume, and the use of regular "part-timers" became general practice.

The trend to the shorter work week, and in many cases the shorter store week also, gained rapidly during World War II. By this time the 40 hour 5 day week had become the accepted standard in almost all industry. Professional and commercial businesses other than stores were on no more than a 5 1/2 day week. The employment opportunities during the war created increased competition for personnel. Retail management generally found it necessary to meet competition in order to retain good employees and to use devices of attracting new employees as they were needed. Again, the lead was taken in the larger cities, with the medium and smaller communities changing more slowly.

Store Hours and Staff Hours at Present

The following figures indicate the present acceptance of the 40 hour 5 day week. A recent survey¹ of prevailing practice in 258 cities and 606 individual stores in the United States showed, for hours worked, that:

45% have employee work weeks of 40 hours or less;

61% have employee work weeks of 42 hours or less;

85% have employee work weeks of 45 hours or less.

For number of days in the employee work week, the survey showed that:

33 1/3% of cities in the population group of 200-500,000 have instituted the 5 day work week;

75% of cities over 500,000 population have instituted the 5 day work week.

With so many retail employees working short hours and 5 day weeks, the number of hours stores are open for business ranges all the way from

¹*Store Hours and Employee Schedules, N.R.D.G.A., 1952.*

41 2/3 to 59. The large majority of stores are open 6 full days, 17% are open 5 1/2 days, and a minority are open only 5 days. Almost all stores now have at least one night opening, with two nights now fairly common. Neighbourhood and suburban stores are often open as many as 3 or 4 nights a week.

While the 40 hour 5 day week is now established and steadily gaining acceptance, the store hour situation is confused. The only recent change which is now almost universal is at least a single night opening. In some communities during 1952, additional night openings for downtown stores were instituted, with success and continuance in some places, failure and discontinuance in others. At the same time, there is a noticeable effort in some cities to establish the 5 day store week. In more than 20 cities in the New England States all the leading downtown stores have been closed all day Monday for several years, and others in the area are adopting the plan. Some individual stores in other cities adopted the Monday closing as long as 6 years ago, while all competing stores remained open. Some of them continue alone on this schedule, whereas in other places the other downtown stores have also adopted the plan.

Changing Living Patterns and Current Trends

Many other important factors, in addition to employee hours, are now influencing management in making decisions on store hours. Most important, perhaps, is the rapid growth of the suburbs of medium and large cities. As a result of this, every city now has a serious traffic congestion problem, and parking facilities are inadequate almost everywhere; it is no longer as easy to shop downtown as it used to be. The higher cost of public transportation influences consumers to shop closer to home, as does the extra time required to go downtown, either by car or bus. There has been a strong trend towards the opening of branch stores in suburban areas by large department stores, and many neighbourhood shopping areas have expanded greatly.

More women are working now than ever before, and have much less time in which to do their shopping. Very often, in such families, the husband has accepted part of the home responsibilities, including the shopping. It is now quite common to see a man in a grocery or supermarket, or to see Mr. and Mrs. Customer shopping together for any purchases. What's more, they seem to like it.

With full employment, and good wages for women in industry and commerce, the day of the family maid in middle class families seems almost gone. With more home responsibilities, many women must change their former shopping habits.

There have been many changes in the previous pattern of retail distribution. The growth of neighbourhood and suburban shopping sec-

tions is one important change. The rapid strides made by supermarkets and the "super-dupers", which sell almost everything, and the evening openings — and now 24 hour telephone service — of aggressive chains are other changes. The trend is towards lower cost types of distribution, and management of established stores must meet this challenge.

Within the individual store, there is the constant battle against higher operating expenses which have steadily increased since the war. Higher wages, higher taxes, and higher costs of all services and supplies needed in retailing have not been completely offset by higher sales volume or higher margins. The "break-even" point of many large retail stores has risen steadily, and it is imperative that retailers make every effort to operate most efficiently in the years ahead.

Median figures of total operating expenses of department and specialty stores for 1951 have ranged between 31.8% and 34.9%.¹ Of these totals, total payroll has ranged between 17.3% and 18.9%, with selling salaries from 6.4% to 8.8%. These expenses bulk large in the total expenses of stores; and unfortunately for retailing, there is very little in the way of labour-saving machinery or equipment which can reduce unit costs, particularly in selling. Yet stores must somehow keep pace with the general wage level, which is steadily increasing with increased productivity.

One possible answer, to use salespeople most efficiently, is to level out the peaks and valleys of business during the hours of the day, and the days of the week. Unavoidably, at present, because customers come to stores at their own convenience, many stores are over-staffed during certain periods of each day, and even though extras are used, often somewhat understaffed during peak periods. It is possible that a change in store hours might improve this situation materially, and therefore reduce sales costs.

Night Openings: Pro and Con

The purpose of any business operation is to maximize profits with all immediate and long-term factors fully considered. Retailing is no exception to the rule. As a service business, stores must be open for the convenience of their customers; yet this must be qualified by availability of personnel and sufficient sales volume during all open hours to be profitable. During the war, even drug stores and service stations found that they could shorten their hours considerably, and have remained on shorter hours ever since. For department and specialty stores, particularly if a majority in any one area act together, the 5 day store week, with one or more night openings, might well be an answer to many aggravating operating problems and at the same time increase net profits.

¹*Departmental Merchandising and Operating Results, N.R.D.G.A., 1952.*

A number of individual stores and communities have undertaken customer surveys to find out whether customers would like stores to be open evenings or not. In almost every survey taken, 60% or more indicated that a night opening would make shopping more convenient. Even in the few which indicated that it made no difference to a majority, there was a substantial minority who wanted night openings. If the people surveyed are a store's customers, no store can afford to ignore any substantial minority.

Why do customers like night openings? They like night openings because of the changing patterns of living mentioned. We all know that women are the family purchasing agents, spending up to 85% of the total family budget. One of the reasons for this situation, of course, is that men just didn't have as much time to shop during hours when stores were open. Now so many more women are working, and they have far less time during the day. Whether she is single or married, the working woman has only her lunch hour (if she works near stores) and Saturdays for shopping. That hasn't been enough, as evening sales volume figures seem to indicate clearly. Of non-working women, the mother of pre-school children has very little free time, and usually can leave home only while the children are at school or when the father or baby-sitter is available. The only women who really do have plenty of time to shop are the non-working women whose children are old enough to be left alone.

Transportation is easier, traffic congestion is usually less, and parking space is usually easier to find during the evening. Where possible, husbands and wives prefer to shop together, particularly for major purchases. Operators of ladies' ready-to-wear stores have been pleasantly surprised by the number of husbands accompanying their wives during the evenings to make purchases of fashion apparel. Reports indicate that evening shopping is often more leisurely. When husband and wife make a purchase together and can take their time, the percentage of returns is much smaller, regardless of the type of merchandise purchased. Reducing the percentage of merchandise returned means a substantial saving in operating costs. While no figures are available, opinion seems to be that evening shoppers more often have made up their minds in advance to buy, if they find what they want, and the percentage of sales closed is higher than during the day.

Night openings for downtown stores have been found to regain business which had been lost to neighbourhood areas. Extra business has come from the whole trading-area of the store, since customers from out of town have a longer day in which to make the trip and do their shopping. That downtown stores have been successful in reaching new customers of different categories is proved by the much higher percentage of cash business done during evening hours in the first year or two after starting an evening opening. Either these new customers are not regular

charge account buyers, or they have not immediately opened accounts in these stores. This experience has been particularly true of the downtown areas of metropolitan centers, and also to some extent the same in cities of all sizes, except perhaps the smallest.

How much weight is given to each of these factors may be debatable, but the effect of all of them together must account for the success of night business and its widespread adoption throughout the United States and Canada. One outstanding example of success is Hudson's in Detroit, which had long resisted night openings even before Christmas although most other stores were open every Monday evening. In 1951 a city-wide bus strike forced Hudson's to stay open Monday evening to give their customers a chance to get downtown by car during the evening. It was so successful that the night opening has been continued since. Comparing 1950 with no night opening with 1952 after the night opening had been established, Mr. Harry Hogan, Director of Personnel, reported to the N.R.D.G.A. as follows:

"Previous to our Monday night opening, Saturday was our biggest volume day. We are an industrial town. Now the volume has shifted to this extent. It runs Monday, Saturday, Thursday, Wednesday, with Tuesday and Friday dragging at the end."

"As to our Monday volume, seven Mondays of 1952 with night opening against 1950 without a night opening, we show a 34% increase in volume. Taking Saturday, Monday, and Tuesday volumes, because they are the days which are affected by a night opening, we show a 40% increase in volume on these three days. Some of this came from other days."

"Our use of man days worked may be interesting. To get the 34% volume on the 7 Mondays, we used 14 1/2% more man days. But we saved those, some on Saturdays and mostly on Tuesdays. So, while we used approximately 14% more man days to get 34% increase in volume on Monday, over the 3 day period named we got a 40% increase in volume, with only a 2% total increase in man combined hours."

In spite of the generally successful results of night openings, there is still great opposition to the change in many quarters, and individual stores or groups of stores have resisted the trend. Some people have called the night openings "a return to the dark ages of retailing". To be more specific, the objections basically are personnel problems and costs of operation. Hardly any employees could be expected to be eager about working evening hours, unless there are compensating changes in the rest of the weekly schedule. With staggered staffs, it is relatively easy to cover the evenings without requiring anyone to work more than 40 hours, but usually employees accept such a change because they have no

alternative, rather than because they like it. Management today in every business realizes more and more the importance of employee attitude and good personnel relations, and this is especially true of retailing, where the salesperson represents the store to the customer. As a result, many stores have considered it advisable to go to a 5 day work week at the time of starting evening hours, with the staff days off scheduled through the week.

Operating costs — particularly payroll, and sometimes extra advertising costs — are the greatest consideration. Perhaps not all stores have been or can expect to be as successful as Hudson's in doing extra volume with practically the same cost. Critics of night openings point out that as competitive stores in the area follow the leader, the competitive advantage is lost and the net result is that sales volume is about the same as before, and often with higher operating costs, so that the night opening is definitely unprofitable. To the extent that stores within an area compete, this may well be true. To the extent that customers are drawn from — or not lost to — neighbourhood and suburban areas, the night openings can be considered necessary, and if the staff costs can be held the same, the night opening at least prevents declining volume.

Not all stores need go to night openings, and there are many examples of successful stores which still maintain only day hours while most other stores in the area are open one evening or more. In New York, for example, Best & Co. and Altman's are outstanding department stores which continue on days only. A change might bring extra volume, but the question in these stores is whether it would be at a profit, and be worth the necessary rescheduling of staff hours and disruption of personnel relations. To the extent that present customers are loyal — and a surprisingly high percentage of such stores' sales are to regular customers — there is no need for night openings. Stores which cater to the "carriage trade", such as exclusive fur salons and others, need no night openings, since their customers can shop at any time of the day. Stores to which a prestige reputation is important—perhaps Tiffany's in New York would be the outstanding example—might justifiably decide that they would lose far more in their standing with their present customers than they could possibly gain by any additional volume obtained by a night opening. On the other hand, if stores do want to reach out for extra volume from other than their present customers, after having weighed these factors, the night opening can be highly successful. Department stores have successfully extended the area which they can serve with night openings. An example of reaching out to different categories of customers is found in the activity of the group of prestige fashion stores on 57th Street in New York, which realized substantial increases in volume in the more moderately priced departments after a night opening was started.

Single Vs. Multiple Night Openings

If it is good business for a store to be open one evening, why is it not good business to be open 2 evenings — or 3 or 4? In some cases it is good — but by no means in all cases. During 1952 many stores which had previously been open one evening added a second. Here the experience has varied considerably, particularly for downtown areas. Generally, the second evening has not been nearly as successful as the first, and in many cases the volume done on the first evening dropped, indicating a shift in volume between the 2 nights, rather than any gain. With these results, operating costs were definitely higher, and the second night opening was discontinued by many stores.

Neighbourhood and suburban stores have had much better results with multiple night openings. There, the experience has always been that a large part of the total volume was done during the evening. Sears stores, for example, are open either 3 or 4 nights in almost every community they serve, and other neighbourhood stores have followed the same practice.

In view of the above, where the shopping pattern differs from one area to another, and where a store's own clientele is different from that of other stores, it can be seen that the policy of "follow the leader" — deciding to stay open, or to open a second night just because other stores do so — is not good management policy. Once a store has established a single night opening which is successful, it would seem that the only valid reason for considering any more would be the physical inability to handle the business properly during one evening. If the volume of night business is so large, it indicates quite clearly that the store has a high percentage of customers who do prefer evening shopping, and it is then up to the store to make whatever adjustments in store hours and staff schedules are necessary to serve their customers properly. The probability is that this is the situation in neighbourhood and suburban areas. That it exists in any downtown area of any city—large, medium, or small—is, on the other hand, highly doubtful.

The Five Day Store Week

Do the arguments in favour of night openings have any particular bearing on the 5 day store week? Only this: with one night opening — or more, if profitable — and the attendant problems of staff schedules and operating costs, it becomes pertinent to consider whether the 5 day week is now practical and desirable.

Immediately, two important objections are advanced: First, with large sums of money tied up in fixed plant, and other high inflexible overhead costs which go on whether the store is open or closed, it seems obvious that the "plant" should be operated 6 days rather than 5. Secondly, it is often suggested that a store which is open 6 days will do more business than it would if it were open only 5 days.

Let us examine the first objection. On analysis, the only reason for operating the "plant" the extra day would be to spread the fixed costs over more units, or larger sales volume. Nevertheless, a retail store is not like an industrial plant where each hour or day the plant is in operation produces additional volume. In other words, the first objection is valid only if the second is valid — if more business can be done so that the fixed overhead per dollar of sales will be lowered.

With regard to the second point, it probably is true that some extra business will be done in 6 days, but how much extra (and whether it is profitable) depends on the store hours of other stores in the immediate area; the particular clientele of each store, and other factors. Even if all other stores were on the same 5 day schedule, there might be a small amount of business lost just because no stores were open, and customer decisions to make purchases might be reversed or postponed. If these ideal conditions existed, however, the amount of such business would be small indeed, and obviously unprofitable in relation to the extra costs of operation for the extra day.

Unfortunately, however, such ideal conditions are most unlikely to exist unless legislation enforced uniformity. Since conditions are different for different areas, and even for different stores in the same area, any such legislation would be unfair. For example, the small store proprietor on the edge of a downtown area might be able to continue in business only by staying open 6 days, and perhaps evenings. He should not be forced to close because the well-established stores might think the 5 day week is good for them. If enough of them do close, the business of the small store proprietor on the extra day must fall considerably, and he then must make his own decision on the basis of his own operation.

The experience has been that the 5 day week is adopted either by the leading department store in a community, or by a group of the leading stores. Unquestionably, when only a single store adopts this policy, it will do less business in 5 days. Nevertheless, the proportionate loss in volume is by no means 1/6 of the total, and may be only a small fraction of that, depending on the store's position in the community and the aggressiveness of the promotions during the rest of the week. Where a representative group of stores acts together, the experience has been that, while other stores which remain open do some business on the closed day, the day becomes a "dead" day, with very little shopping traffic. Again, the degree depends on the number of stores closing and their percentage of the total volume done in the community. When a substantial number or the majority of stores in a downtown area operate on a 5 day week — always assuming one evening open — there may be

some amount of business lost to neighbourhood or suburban areas, but experience has shown that this loss is negligible.

While we may reason that a store must lose some sales volume if it goes to a 5 day week independently, the actual experience shows that this is by no means always true, with stores on this schedule reporting results quite consistent with other stores and with the regional index of department store sales. Where a single store operating independently on the 5 day week can achieve these results, it is logical that where a group of leading stores in an area acts together, there should be no noticeable adverse effect on sales, and reported figures do substantiate this theory. The fact is that where any leading store or group of stores has gone to a 5 day week and stayed on it for 6 months or more, not a single store has gone back to a 6 day week.

Operating Economies on a 5 Day Week

If we can assume, then, that sales volume is not seriously reduced on a 5 day week, particularly when a group of stores adopts the new schedule at the same time, what is the effect on operating costs? Is it a more or less profitable operation?

On the same sales volume, fixed costs per dollar of volume or unit transactions remain the same. So do all the minor variable expenses which are in direct proportion to sales volume, such as supplies, services, bad debts, etc. There probably will be some minor savings in heat, light and power, and air-conditioning. Advertising may go up temporarily while the new schedule is put across to the public, but after a short time it should be the same as before. Possibly in some cases where large stores have run daily newspaper schedules, it might be reduced; but it is more than likely that management policy will be rather to reschedule space used to continue to do the same sales volume.

The expense item which will be most affected will be payroll, particularly in selling salaries. Hudson's in Detroit, as previously noted, were able to get a 40% increase in volume over a 3 day period with only a 2% increase in man hours when they established a night opening. While some of this increase came from other days in the week, certainly payroll costs on those other days were not increased in any way, and possibly they were reduced. There was then, a substantial net saving in selling salaries for Hudson's.

While this example is of a store which is still on a 6 day level, the point is that the way to increase sales salary productivity is to level out the peaks and valleys of the daily and weekly business. All retailers know that during many hours of the day, there is a great deal of standing and waiting for customers to come in to buy. In other words, con-

densing the same sales volume into a 5 day rather than a 6 day week requires fewer salespeople, and therefore produces lower selling costs. Mathematically, the number of people might be 1/6 less to get the same station coverage in the store, but it is more likely that more coverage will be needed each day of a 5 day week, so that savings on selling salaries would probably be no more than 10%, at maximum. However, anything even close to 10% is a substantial saving on any expense item, particularly on one as large as sales salary cost.

There may also be minor or fairly substantial savings in non-selling salaries below the administrative level. Such savings would come about through more efficient operation, with all people on the job every day of the 5 day week, instead of having days off staggered. Scheduling days off for both selling and non-selling employees is not an easy job, for it requires the attention of one or more executives, and the time taken could be devoted to more constructive work for the store. If scheduling has its difficulties, operating with staggered staffs has been described as a nightmare. Employees switch days off without notice, and very often decisions and action must be delayed because some of the people involved are off work on the day during which the problems arise. When personnel policy has established a 5 day work week, there can be no question that a 5 day store week means a far more efficient operation and should contribute substantially towards a higher net profit.

Employee Attitude to the 5 Day Week

That employee attitudes are important to the profitable operation of any business is now accepted everywhere. This is nowhere more true than in retailing, and if the 5 day store week contributes substantially to improved employee morale, the immediate benefits may appear to be intangible, but the result will definitely mean a more profitable operation. No salesperson who is physically tired can do a good selling job. By the same token, no salesperson who is not reasonably happy in his work, who is not "sold" on the store and its policies, will do the kind of selling needed under today's competitive conditions. Time and money spent on training may be totally wasted if employees are not receptive. It has been shown time and again that once adequate compensation has been established, the human relationships between company and employees become all important.

The 5 day 40 hour week has gained acceptance because of the above factors. However, a day off during the week apart from Sunday is not nearly as desirable as a full 2 day week-end. L. S. Ayres and Company, of Indianapolis, took a survey of employee comments after about a year of operating on the 5 day store week. To say that the comments received were enthusiastic would be a complete understatement. In tabulating

the answers, 91% mentioned improved family relationships as the greatest advantage; 62% emphasized health benefits; 44% revealed that it was an incentive for church attendance. Recreation, leisure, education, hobbies, trips, and a better attitude towards work were among the other advantages mentioned. A simple tabulation of this kind cannot possibly indicate the importance of the human values mentioned so often in the individual comments.

Executives and owners also find the 2 day week-end highly beneficial. All the benefits which apply to other employees apply to them as well, and there are other real benefits to management people in addition. In too many cases, the daily routine of an executive allows little time for constructive thinking. Telephone calls, interviews, and small daily problems interrupt and distract him all through the day. Keeping up with current literature is important and much easier with a 2 day week-end. More time is available for community service work, which is now recognized as an increasingly important part of good relations for a store.

Much more attention is now being paid to the health of executives. Aside from personal values, management now realizes the large investment in the accumulated experience and knowledge of key executives, and in this respect also, retailing is no different from any other business. Certainly a full 2 day week-end will be beneficial in almost every case.

Case History

Lady Stuart is a ladies' ready-to-wear store in London, selling a complete range of apparel and accessories in the moderate price field. The appeal of the store has been established on fashion. The majority of customers are "career girls", both single and married. Up to 70% of total volume is charge account or revolving charge account business, and therefore there is probably a greater degree of customer loyalty than is usual in this type of store. The regular staff consists of about 20 people plus up to half as many regular part-timers.

For many years the practice of most stores in London was established at 5 1/2 days, with Wednesday afternoon closed, and no night openings. Wednesday morning business was never particularly satisfactory, since the store peak periods were the lunch hour from 12 to 2, and from 3.30 to 5.30. These hours were continued until 1951 when Simpson's in London changed its policy about closing Wednesday afternoons and went to a 6 day store week and a 5 day staff week. Since Lady Stuart also wanted to change to the 5 day staff week, and it seemed necessary to go to a 6 day store week to meet competition, this created a serious problem. At about this time, the trend to one night opening was gaining strength. Accordingly, when Simpson's decided to go to the 5 day store

week with Monday closings, and to start opening Friday evenings, Lady Stuart was happy to make the same change. A small group of other stores agreed to change at the same time, and soon almost all stores in the downtown area were open Friday evenings. Apparently not enough stores adopted the 5 day week, since all the other stores which had started Monday closing went back to previous schedules. Some stores continued to close Wednesday afternoon while others went to a full 6 day store week plus Friday evening.

Present store hours, opening at 9.15 a.m., closing at 5.30 p.m. and at 9 p.m., Friday, for 5 days, total 44 3/4 hours. Staff hours, with time off for lunch and supper on Friday evenings, total 38 1/4. During the 4 weeks before Christmas the store is open 6 full days plus Friday evening, with employees getting a half day off each week. The extra time during the Christmas season is paid for at straight time, as an offset to the hours fewer than 40 worked during the year. The store is open on those Mondays during any week in which a holiday falls, and employees are paid for 6 individual holidays during the year, or given extra time off. Employee attitudes had always been considered good, but after this change they were as much better as they possibly could be.

A comparison of sales figures for January and February, 1952, on the old 5 1/2 day schedule with those for the same months during 1953 on the new schedule shows that total volume for the 2 months for 1953 was 5.2% greater than that for the same period of the previous year. In a business of this size, there are many single factors which could make a true comparison difficult. For example, a minor department, which had contributed about 5% of total volume in these 2 months in 1952 had been discontinued in 1953, so that the sales increase in the other departments was actually somewhat greater than the 5.2% figure. However, as far as can be determined, other factors were much the same in both years, so that an increase of slightly more than 5% is a conservative estimate.

Total payroll costs (excluding administration) were almost the same in both years: in 1952, January 15.5%, February 12%; in 1953, January 15.4%, February 12.4%. (It should be noted that this figure on an annual basis is consistently between 10.5% and 11.3%, again indicating the higher cost of selling salaries during slow business periods, since adequate coverage must still be maintained. This applies to slow periods during a day, a week, or a year, and is, therefore, a strong argument for concentrating business during 5 days of the week rather than 6.) If employee hours had not been reduced at the time of changing the store schedule, it might have been possible to reduce payroll costs slightly, but this is very difficult in a smaller store.

The shift in sales volume between the days of the week is significant:

<u>January</u>	<i>Percentage of total week's volume</i>
<u>1952</u>	
Monday and Wednesday morning	15.6
Saturday	33.8
<u>1953</u>	
Wednesday and Friday evening	25.0
Saturday	34.3
<u>February</u>	
<u>1952</u>	
Monday and Wednesday morning	14.4
Saturday	37.9
<u>1953</u>	
Wednesday and Friday evening	27.1
Saturday	27.4
<u>January and February combined</u>	
<u>1952</u>	
Monday and Wednesday morning	15.0
Saturday	36.1
<u>1953</u>	
Wednesday and Friday evening	26.0
Saturday	30.4

While the figures for 2 months are really inadequate, they do indicate a trend towards levelling off peaks, which means better customer service and the possibility of better and more selling.

From this brief comparison, it seems clear that the change has been in no way detrimental. Undoubtedly, if the Monday closing in the downtown area were more general, results would be even better. As this is being written, there is a concerted effort by the Retail Section of the London Chamber of Commerce to influence more Monday closings. Whether this does occur or not, as long as Lady Stuart continues to achieve results similar to the above, the present schedule will be maintained.

Conclusions

1. The 40 hour 5 day staff week is well established, and will continue to gain acceptance. To obtain and keep capable personnel, retailers must meet these improved conditions of employment.

2. Night openings—one or more during a week—have definitely proved successful when a store has established night openings based on an analysis of its own requirements, such as location, clientele ,etc.

3. These divergent trends require management's closest attention in order to keep costs in line with sales volume and to maximize profits.

4. The 5 day store week, with the 2 day week-end, is one possible answer to this problem. It is no longer just an unproved theory, with many communities and stores operating successfully on this basis over a period of years. Sales volume has been maintained, costs have been held constant or reduced, and employee relations have improved immeasurably.

5. Group action by the majority of leading stores is the best way to change to the 5 day week. An individual store can also make the change independently if its position is dominant in the community.

6. There is a minor but clearly discernible trend to the 5 day store week in the United States and Canada, and this analysis indicates that this trend will continue and gain increasing acceptance.

While retail management is mostly concerned with immediate and short-range problems, the long-term must also be considered, particularly by those in the position to give leadership to the industry. Improved employee attitudes have been stressed as a benefit accruing from the 5 day week, but there are also broader social aspects as well. All too often we lose sight of the fact that the sole purpose of all economic activity is to provide the goods and services for maintaining and enjoying life. For retail people in every classification, whether they be salespeople, clerks, executives, or owners, the 5 day week is a clear gain for the exciting business of living and is consistent with social progress. When a change is good for business, good for the people in the business, and good for society as a whole, it must eventually become generally accepted. How soon this happens depends on the leadership and the vision of the leaders in the retail business.

Canada's Future

Brant Bonner

Few nations have ever been so conscious of their future as is Canada today. As a result, we are constantly reading or hearing forecasts of Canada's future. In this article Professor Bonner indicates, by illustrating how a forecast is made, some of the pitfalls to both forecaster and businessman in considering what the future holds.

The phenomenal economic growth that has taken place in Canada in recent years has raised the question in the minds of many, particularly business planners, "What will the future hold for this broad land of vast natural resources?"

In answer, a number of persons prominent in business and in government have spoken of their expectations of Canada's development twenty-five or fifty years hence. The picture they present is bright, although they are not all in agreement as to the levels that will be reached. Joining this group are those who have given little thought to the economic facts but speak out, nevertheless, and add to the plethora of forecasts that have been made regarding Canada's future.

The businessman who is faced with the problem of making long-range decisions in such matters as the acquisition of a new plant and equipment may wonder how valuable are forecasts which involve such a long period of time.

Certainly those forecasts which are more the result of emotion than of a study of the statistical data may readily be dismissed as being of little value, if not misleading. People are swayed by mass psychology, and the optimism or pessimism of the majority, as the case may be, tends to permeate the thinking of the total population. As an illustration, one needs only to recall the forecasts of the 1948 United States presidential election when almost every newspaperman, news analyst and pollster repeated, as if in unison, the familiar phrase, "the election of Dewey is a foregone conclusion."

But what of the forecasts made by competent persons — people with training and experience in the field of economics — how valuable are they? If the limitations of such long-range forecasting are realized, they can prove to be of value.

Limitations of Forecaster

The economist does not have a crystal ball; no magic formula has been developed which will pin point the level of business activity at some future time. Rather, he makes his forecast based on his knowledge of economic development and on a study of economic patterns and trends. While he assumes that economic and social customs will tend to carry on, he must not be misled by the thought that "history repeats itself". Those who anticipated a depression following World War II on the basis of their having been one shortly after the conclusion of hostilities in World War I, were a long way from reality.

The economist, then, must not only study past patterns but must anticipate changes in trends if he is to make worthwhile forecasts.

This description suggests that a forecast is at best, an educated guess; and to this, persons forecasting economic development would agree. The economist is not merely dealing with physical phenomena as is the weather forecaster, but he is dealing with social and political phenomena as well. The public's taste may change, a war may be declared, tariff policy may be altered. As he does not have occult powers he can only suggest what appear to him to be reasonable goals.

Henry Hazlitt writing in *Newsweek* (Jan. 12, 1953) under the heading "Business Tides", states the situation succinctly when he says, "A business forecast . . . can never be anything better than a guess. The future of business depends on countless factors, and no human mind can encompass them all. But some guesses are better informed and better reasoned than others".

It should be apparent, of course, that the longer the period covered by a forecast the less reliable it can be expected to be. In other words a forecast made by a competent forecaster covering the next 10 or 12 months should be quite accurate barring some major event such as the declaration of war or the abrupt termination of defence spending programme. In the case of a forecast involving a period of 20 or 25 years or longer, the forecaster is only able to indicate general directions. His forecast is in reality a middle point of a belt, the upper part representing maximum possibilities, the lower part minimum possibilities in his mind.

The Importance of Population

The economic possibilities of Canada, for the balance of this century at least, depend in a large part on population growth. Canada is a vast country, much of it unexplored, and a growth in the population will provide a better balance between natural resources and the people to develop these resources.

How long this population expansion beneficial to the economy can go on depends in part on the development of the arts of agriculture and production. The population of the United States a quarter of a century ago stood at around 120 millions and was thought to be "mature". The figure today is close to 160 millions and is going up several million each year. Agricultural and industrial development during the last quarter of a century permit the supporting of this increased population and at a higher standard of living.

The growth of population is said to pass through three major stages. In the first there is only a slight increase from year to year — this was true during the early years of Canada's history. The second stage is one of a rapidly expanding population — the stage Canada is now in. The third stage, the one the United States is in, is one in which the population may continue to expand but at a decreasing rate. This is the growth pattern of industry as well. The first TV broadcast was made in 1928, but few sets were sold during the ensuing 15 years. With widespread sales of sets to new owners, the industry is currently in stage two. When most families who will acquire TV sets have done so, then, presumably stage three will be reached — a stage in which sales will level off, the demand being pretty well limited to replacements to some second sets for the family, and to sets for newly formed families.

The first step, then, in attempting to estimate Canada's economic well-being 20 or 25 years hence, say 1975, is to estimate the population. One method of estimating future population is to estimate family formation, number of births, number of deaths, and net immigration. While this approach is an attempt to break the problem down into its components, it is doubtful how accurate an estimate can be made for a number of years on some of these components.

A second method is to study the trend of population growth in the past, and on the basis of this study, project the trend into the future. The longer the past period studied, usually, the more reliable is the forecast. In the recent annual report of one of the chartered banks, the president forecasted the population for 1975 and the year 2,000 based on the growth of population for the year 1952 alone. Unless 1952 happened to be a typical year, these estimates can be way off.

Based on a study of the Canadian population growth from 1930 to 1952 (excluding Newfoundland) and assuming that the growth will continue at a slightly increasing rate between now and 1975, the population of Canada may well reach a level of 21,400,000 exclusive of Newfoundland. The picture of Newfoundland's development does not seem sufficiently clear at present to warrant a 25 year forecast.

This estimate should be thought of as a median figure. If immigration barriers were to be lowered, it is conceivable that the population will expand more rapidly. On the other hand, if Canada were to experience a severe economic recession, the figure could be lower.

Production and Distribution

The second major factor in economic development is improved methods of production and distribution. Our great free enterprise, competitive system challenges the producer to devise better methods of production and challenges the distributor to find more economical and efficient methods of distribution. As a result, output computed on a per capita basis has been expanding over the years, and there is every reason to believe that this development in business and production techniques will continue as long as individual initiative is not stifled by undue government regulation on business, or by excessive taxation on business and personal income.

The growth in over-all productivity of goods and services is measured by estimating the income that has been produced. The Dominion Bureau of Statistics reports national income in several different categories. Personal income is here used for computational purposes as it is a significant classification for persons in the field of business.

The increase in personal income in Canada, less Newfoundland, shows a high rate during recent years due to inflation. Personal income in 1935 was \$3,373,000,000 and in 1950 it was \$13,242,000,000, an increase of 393%. However, if income for the two years is deflated—that is, converted to "normal dollars" ($1935-39 = 100$), the increase is only 118%.

For forecasting purposes national income needs to be corrected not only for changes in the value of the dollar but also for change in the population. The latter is achieved by dividing deflated total personal income by population which gives deflated personal income on a per capita basis. On this basis, per capita income increased 77% from 1935 to 1950. This is a measure of increased individual productivity, but it should not be assumed that such increase is due solely to increased worker efficiency — actually most of the increase is due to capital investment which has provided more efficient tools of production.

In comparing per capita income for two periods, an error will enter into the results if one of the years happened to be a year of widespread unemployment and the other a year of comparative full employment as in the case of 1935 and 1950.

For the purpose of measuring increased productivity, the Dominion Bureau of Statistics suggests comparing 1928 and 1950, as both are considered years of practically full-employment.

Per capita deflated income in 1928 was \$397 and in 1950, \$573, an increase of 44.33%. This increase on a per annum compound basis was 1.68%. In other words, the output per individual tended to increase 1.68% per year during this 22 year period.

Projecting this rate of increase to 1975 gives a figure of per capita income in terms of 1935-39 dollars of \$869, which is 52% in excess of 1950 income levels.

To compute estimated total personal income in Canada for 1975 it is necessary to multiply the estimated per capita income figure, \$869, by the estimated population figure, 21,400,000. The resulting figure is \$18,597,000,000, in terms of 1935-39 dollars (not including Newfoundland).

This amount is 143% in excess of the 1950 deflated total personal income. Thus we can look forward to an increase in the production of goods and services of almost one and one half times during the quarter century from 1950 to 1975. While this increase may seem astounding, it may be recalled that the real income level in 1950 was virtually double that of 1925.

If one wishes to assume that population increase estimated for the period from 1950 to 1975 will continue to the year 2,000, and that the increase in individual productivity will likewise continue, then an estimate for the year 2,000 may be computed. However, the longer the period covered by the forecast the more chance there is of error, so it may be well not to try and come up with figures for such a distant time.

It is apparent that one might make different assumptions in a forecasting of Canada's future and arrive at somewhat different estimates, but in spite of the limitations of long-range forecasting, it is helpful for businessmen and government leaders to have some indication of the direction in which Canada is headed.

Industrial Hygiene

F. M. R. Bulmer

The development of industrial medical services and the tasks which they face in maintaining good health in modern industrial situations are the subjects of this article by Mr. Bulmer.

This is a health conscious age. Those constituting the adult population are greatly concerned about their well-being. Such an attitude is probably promoted by the pressure of popular literature and by the general appreciation of the economic cost of illness. It should be realized that it is advisable to pay attention to one's health, but when carried to an extreme this attitude can in itself create sickness. The impact of popular information while helpful to some people may in other cases lead to self diagnosis and treatment or to adherence to some current fad of the day. Early consultation with a physician is desirable when one is worried concerning his health.

The Development of Industrial Medical Services

In many industries the health of the adult working group is maintained by an industrial medical service program. Such a service, however, was not provided originally for this purpose. The economic cost of accidents together with the consequent disability and lost time demonstrated when Workmen's Compensation laws were enacted many years ago led to the development of accident prevention work. At the same time medical services were introduced in industry for the care of the injured. This brought the employer and the physician together and emphasized the role of the industrial doctor and that of the industrial nurse. From that point on, a gradual change took place in the activities of the industrial medical service, special emphasis being placed on maintenance of the health of the worker. In a country where regimentation is not the order of the day, industry is the logical place to apply an adult health program.

The Examination and Treatment of Industrial Personnel

To be effective an industrial medical service must have a definite program. Each worker should be examined at the time of employment and should be checked at regular intervals. The interval between periodic examinations will depend on the worker's age, on his physical condition at the time of employment, and on whether he is in contact with toxic

materials. This preliminary examination permits the proper placing of the worker with respect to his physical condition. It also provides an opportunity to inform him of any defects which should be corrected.

Very few applicants should be rejected for employment on medical grounds unless the work requirements are unusual. The criteria that are followed in the selection of army personnel should not be applied to the industrial applicant. Army work requires men who can meet conditions of maximum physical output for a continued period of time. The assertion, based on the percentage recruit rejections, that the health of the population is deplorable is somewhat misleading. In industry the work requirements are much more than average and maximum effort is seldom required. In most plants it is the machine that does the heavy work. Many workers suffer more wear and tear getting to and from work than in the actual performance of their duties.

It is important that workers have access to the plant medical department for the diagnosis of trifling conditions which may be the initial stages of more serious trouble. For early detection it is not advisable to depend entirely on periodic medical examinations conducted yearly or at longer intervals. At the same time it is not practical to examine large groups of workers routinely at shorter intervals. Where a proper relationship exists between the plant medical department and the rest of the plant, most workers will seek early advice even for apparently negligible symptoms and will not wait until pain or disability forces an issue.

Treatment provided by an industrial medical service varies with the plant. The amount of treatment which should be offered is discussed frequently. In well organized communities where adequate facilities are provided it is advisable to limit treatment in the plant to the emergency care of occupational and non-occupational conditions. Interest, however, should be shown in persons referred for treatment. In the case of specific occupational diseases due to toxic materials, there is some justification for the plant physician who undertakes more than ordinary emergency treatment. He is familiar with the materials used in the plant and knows the best treatment methods for the toxic chemicals handled. When, however, a plant is located in a remote area away from established medical facilities the industrial medical service is obliged to provide for more or less complete medical care. Such instances, however, are not common.

The Position of the Plant Physician

The plant physician must be familiar with the various processes in the plant and should have a knowledge of the toxicity of all materials used. He should be interested in all environmental conditions in the

factory which have a bearing on health and comfort of whether the effects are of a physical or a mental nature. Cooperation with other departments in the development of programs designed for welfare, safety, and rehabilitation is necessary. The physician trained in the individual approach so desirable for patient-doctor relations should use this method when dealing with the worker. For success, however, the doctor must fit himself into the organization so that the medical department can play its role along with other departments and will not become an isolated function of the industrial organization. This dual position presents a hurdle for many industrial physicians. In accordance with the ethics of his profession the physician must treat individual health matters as confidential. This is a desirable position from which deviation should not be considered. Unfortunately this leads sometimes to an atmosphere of secrecy which pervades all the work of the medical department and may hinder satisfactory cooperation with other departments including management.

The "Measurement" of Medical Service

Employers, like other people, have a natural desire to promote a worthy cause. They differ, however, from the general population in that, in their own business, they wish to have some yardstick to measure the value of any service provided. They are particularly anxious that any service in their plant be used but not abused. A direct profit is not expected from the medical department or from other service departments where the benefits realized are not always sufficiently tangible to permit a profit and loss sheet.

Probably the best index for the evaluation of the medical service is the number of visits made to this department in a unit of time. During the last war a study was made of the visits to the medical department in several plants of various sizes located in four Canadian provinces. All the plants had medical services; approximately forty thousand workers were covered. It was found that for a working population of men and women in roughly equal numbers approximately twelve visits per worker per year were made to the medical departments. This ratio can be used as a guide by employers to determine the adequacy of their health programs. Where women alone were employed the figure was higher—about eighteen visits per year, and where men alone worked, about ten visits per worker per year were made. At least one half of the visits were for minor sickness. About sixty percent of the accident visits and eighty percent of the sickness visits were initial visits, the balance being repeat visits for the initial conditions. Further study revealed that a low visit-rate indicated that workers were not being permitted reasonable access to the medical department or that services provided were not satisfactory. In the latter case it was observed that

the medical service was confined to the treatment of accidents or other company responsibilities with no service for minor conditions of ill health, and no attempt was made to provide an adult health program. When the visit-rate was too high it was observed that there was no satisfactory procedure whereby employees could contact the medical department, the workers coming and going as they pleased, or that some environmental conditions were present in the plant which increased the number of minor accidents or the incidence of ill health. It is of interest that half the people visiting the medical departments in these plants came because of some condition which they thought was of a minor nature and sought treatment or advice at a time when most of them would not consider consulting their own private physician.

Factors Causing Employee Illnesses

The common diseases of adult life are usually chronic in nature. They are seldom diagnosed at an early stage because of the reluctance of most people to visit a doctor for what is considered a minor condition or to arrange voluntarily for medical examinations at regular intervals. The industrial medical service provides a medium where the worker can air his minor troubles without embarrassment in an environment with which he is familiar. If the minor trouble appears to be the starting point of something more serious he can be referred for further investigation or treatment. The periodic examination is of particular value for the early diagnosis of those adult diseases which manifest symptoms of a degree noticeable by the worker only after they have progressed to serious proportions.

Environmental conditions in industry that may influence health or comfort fall largely in two groups. In one are the factors with broad application such as human relations, ventilation, heating, lighting, sanitation, seating, etc. In the other are those conditions that favour the development of occupational diseases or the occurrence of accidents and are encountered only where toxic materials are handled or where special risks are present.

Employee Relationships

A happy working population is a desirable goal. The day when people could be driven has passed, and industry is aware of need for harmonious relations in the factory. Even today, however, personality problems may develop between workmen themselves or between workmen and supervisors. In many instances the affected individual is a good worker. He seldom complains to his superior, but frequently visits the medical department of the plant on the basis of a minor health condition so that he can explain his feelings to the nurse or doctor. In most

instances the medical department can deal with such a situation in a satisfactory manner. The doctor is an experienced listener to such complaints. The worker accepts the doctor as a confidential adviser and will usually tell what is on his mind without reservation. Sometimes the worker's real trouble is due to conditions outside the plant, but has been unconsciously attributed to conditions of work. The satisfactory handling of such cases depends to a great extent on the position the doctor holds in the organization. If his immediate superior is someone above the production group, his effectiveness in handling such situations is greatly increased. Sometimes changes at the supervisory level are required in order to maintain harmonious relations.

The economic loss caused by absenteeism from ordinary illness has been well publicized. One estimate has placed this loss in the United States at from 400 million to 500 million days each year. This is a staggering figure and difficult to comprehend without some reflection. It draws attention to the economic importance of even minor illness. Apart from the earners' loss, the effect on production constitutes a problem of national importance. It is no wonder that so many workmen are interested in sick benefits. Productive facilities are probably more affected by the multitude of short-term illnesses, as these are responsible for the major portion of lost time. The worker, however, is more concerned with the long-term illness that saps his resources and cuts off his income. The industrial medical service provides the best means to deal with the absenteeism problem and affords opportunities for further studies on the control of lost time due to sickness.

The Incidence of Illness

Women have a greater incidence of illness than men and a higher rate of absenteeism due to it. This excess is not limited alone to those ailments peculiar to women. The main causes of lost time due to sickness are respiratory and digestive ailments, and women lose more time from these causes than men. The increase is not due to a difference in sex susceptibility to disease, as the death rate for women at all ages is less than for men. Various reasons have been advanced for this increase including the facts that women attempt to do two jobs at once, one at home, the other in the factory, and that they take their minor illnesses more seriously than men. Whatever the cause, the fact remains that men lose less time from sickness than women. Women, however, live longer than men.

Many people feel that those persons occupying the better positions in life enjoy a more favourable situation with respect to their health. For years the industrial medical services were concerned largely with the

working group on the assumption that the top men could look after themselves. This contention, however, has for some time been removed from the industrial physician's mind. Obituary notices of executives in the prime of life are by no means uncommon. It would appear that they suffer more rather than less from the wear and tear of life, with particular emphasis being placed on the heart and blood vessels. Exhaustion in the young business executive is now a feature of medical literature as well as a problem for corporations. The method of selection of executives may be at fault. High educational requirements mean a later start in industry. Entering the organization half-way up places the young executive in a position where he is in charge of others who have longer experience with the particular business. The struggle to obtain experience quickly, to satisfy his superiors, and to gain accepted leadership over his group may be too much for a young executive endowed with an average nervous system despite his drive and apparent energy. It may be that good executives are born rather than made and that there are not enough of them today to satisfy the ever-expanding needs of industry.¹

Ventilation and Heating

Factory ventilation, like the weather, is a common topic for complaint and is frequently the subject of much discussion. Few people, however, have even an elementary knowledge of this subject. General ventilation is primarily concerned with providing air conditions, free from objectionable odours, which permit the body to lose its excess heat without undue strain. Under ordinary conditions the process of breathing does not vitiate or poison the air. In ordinary buildings, even when the ventilation is considered to be bad, very little change in oxygen or carbon dioxide content of the air is noted. The fact that ventilation is largely concerned with heat loss from the body closely connects it with heating. Frequently disputes are raised as to whether the plant is too hot or too cold. It is well to remember that in cold weather there is no valid reason for keeping windows open, and providing general discomfort for most of the workers. Neither should the factory temperature be maintained at high levels to suit individuals accustomed to tropical conditions. Good ventilation and heating provide a comfortable atmospheric environment for the majority of the workers. A few who desire colder or hotter conditions should satisfy their idiosyncrasy to heat and cold by varying the type and quantity of their clothing. In general, the air should be cool rather than hot and dry rather than moist; some air motion is desirable for its stimulating effect. In winter-time, workers located near outside walls may lose considerable heat to the cold walls by radiation. For this reason it is not good practice to have desks or work benches so arranged that workers sit within a few inches of an outside wall.

Lighting

Good lighting is very desirable. The amount required varies with the nature of the work done. When fine work is done extra illumination is needed. Extremely fine work, however, may in addition require the use of special spectacles. Factors other than the source of light, such as the colour of walls and surrounding objects, may influence illumination. Glare may be caused by a source of light that is too strong, such as the sun, by reflection of light from bright surfaces, or by contrast between light and darkness. Much discomfort may be produced when a person alternately looks at objects under marked differences of illumination. Light shows up dirt, and seeing this stimulates good housekeeping. When artificial lighting is used, it should be appreciated that proper maintenance of lighting equipment is necessary if adequate illumination is to be maintained. Poor housekeeping and dirty lamps greatly reduce the effective light, even when the lighting equipment has been properly designed.¹

Noise

Noise is inevitably present wherever machinery is operated. Its suppression and control are frequently costly and difficult to attain. The industrial physician is often consulted by management and workers regarding the effect of noise on health. Noise may be defined as any unpleasant, loud, distracting sound. It affects the individual's power to concentrate, especially when he is engaged in mental work. More definite, however, is its effect on hearing, with possible resulting deafness. Unnecessary noises, such as the excessive blowing of an automobile horn, are more apt to cause annoyance than a noise produced by some useful operation. To the trained ear of the skilled mechanic a noise indicating that his machine is not operating satisfactorily is particularly upsetting. To the untrained person no such emotional reaction would be experienced. The effect of noise on health and comfort is not entirely understood. More investigational work is indicated on this interesting subject.²

Toxic Materials

Some industries are required to use materials that have harmful properties. New chemicals are being developed for particular purposes. Some are known to be toxic, others may be proven to have a deleterious effect after prolonged use. When a worker's health is affected by toxic materials used at work he is said to be suffering from an occupational disease. This should not, however, be construed to mean that all the illnesses of workers in plants handling noxious materials are occupational in origin. Most occupational diseases, apart from skin irritation, are caused by the breathing of dusts, gases, vapours, or fumes that have poisonous properties. In many cases the materials causing damage to

the workers' health are not ordinarily considered poisonous and only cause trouble because of the conditions under which they are used or the method by which they gain access to the body. For instance, sand, which is not usually considered a dangerous material, can, under certain conditions, cause irreparable damage to the lungs.

Since the beginning of time, dusts have been encountered everywhere, but it has been only since the development of specialized industry that they have become important from a health viewpoint. Industrial dusts can be divided into three groups: so-called harmless dusts or nuisance dusts, dusts composed of definitely poisonous materials, and dusts which cause scarring of the lungs.

The so-called harmless dusts are dusts containing no appreciable amount of free silica or poisonous material. Limestone dust is a good example of one in this group. Such dusts, however, are not without some harmful action. Heavy concentrations, when breathed, mechanically irritate the nose and throat, producing inflammation of the lining membranes of these and adjacent organs. The concentration of dust necessary to produce this effect is heavy, and at the time of breathing causes some discomfort to the worker. In this type of exposure a worker will usually wear a respirator for comfort as well as for protection.

Poisonous dusts may be produced in industry when toxic materials are being processed. Probably the most common and one of the most poisonous materials used is lead. Lead and lead compounds can enter the body by ingestion and by breathing air which is contaminated with lead dust. A few lead compounds can be absorbed through the skin; fortunately these are seldom used in industry.

Nearly all the cases of industrial lead poisoning are due to the inhalation of dust containing lead. Lead is a cumulative poison. It is stored in the body. The amount of lead dust in the air that is significant from a health viewpoint is very small. In lead exposures the worker does not as a rule see the dust, nor is he necessarily conscious that he is breathing it. There is no special irritation of the nose, throat, or lungs.

Dusts containing arsenic are occasionally met in industry. While arsenic has a widespread reputation as a poisonous material its use in industry is attended with less trouble than that which accompanies the use of lead. It has, however, in addition to its general poisonous properties, a tendency to cause skin irritation.

Cadmium is another toxic material which is being used increasingly in industry. Cadmium fumes are very injurious to the lungs, and when breathed, even minute quantities can cause serious lung damage. This

lung damage usually occurs several hours after exposure. It is a very acute condition, and the outcome may be fatal.

Dusts which produce scarring of the lungs are receiving considerable attention today. These dusts are composed partly or wholly of free silica (silicon dioxide). The disease produced is called silicosis. It is a serious disease, the fatal termination of which is usually lung tuberculosis. Quartz and flint are practically pure silica. Granite is about one-third silica. Many other rocks and sands contain it in varying amounts. Exposure to silica dust occurs in industry at such jobs as mining, quarrying, stonemasonry, moulding, grinding, and sandblasting. With the exception of sandblasting, where the dust concentration may be very high, silicosis is produced only after many years of exposure. Not all those persons exposed to silica dust develop the disease during the ordinary span of life.

Poisonous vapours and gases may be encountered in industry. They can be divided into four classes, according to the way in which they make their presence known. These classes are vapours and gases that cannot be smelled or seen and are not irritating, those that can be seen, those that make their presence felt by irritating action, and those that make their presence known through smell.

In the first group are carbon monoxide, hydrocyanic acid, mercury vapour, and many other materials. Although in industry, the potential exposure to carbon monoxide is great, there is little trouble from this gas. This is due to common knowledge regarding the toxicity of carbon monoxide and to the adequate precautions generally taken to control exposures.

In the second group the most important vapours that attract our attention by their visibility are nitrous fumes. Nitrous fumes are brownish to black in colour. They may be evolved wherever nitric acid is used or in certain types of fires. These fumes affect the lungs. Trouble usually occurs several hours after exposure. The result is often fatal and the true cause of death is not always recognized.

In the third group are gases that are extremely irritating such as ammonia, sulphur dioxide, and chlorine. While these gases are toxic in small concentrations, their irritating effect is so great that no one would voluntarily remain in or enter a room which contained immediately dangerous concentrations. When trouble occurs it is usually due to an accident, as when a pipe or container breaks in a confined space, producing a high concentration of gas in the air before the occupants can escape.

In group four are many vapours and gases that can be recognized by smell. All solvents, diluents, lacquers, cleaning fluids used by dry cleaners, paints, rubber cements, and many other products, contain volatile substances which can often be recognized by the sense of smell. The number of chemicals in this group is large and is increasing each year. Two of the most important, from a health viewpoint, are benzol (benzene) and carbon tetrachloride. More than ordinary precautions must be taken for the safe handling of these two solvents.

Very often a non-poisonous material can be substituted for a poisonous one without affecting the manufactured product. At the present time few lacquers or paints used in spray painting contain either benzol or an appreciable amount of lead. Non-silica parting material has largely displaced the silica parting formerly used by the moulder. There are, however, some poisonous materials which have to be used. It is unfortunate, but nevertheless true, that some of the most useful materials have harmful potentialities.

When toxic materials are used in industry the prevention of occupational diseases can be accomplished only by a definite program of control. The program varies with the circumstances. In general, it involves methods of handling materials, ventilation, segregation of dangerous processes, the use of personal protective equipment, cleanliness, and medical control measures.

The industrial medical department is rapidly being recognized as an essential service in modern industry. In plants handling toxic materials, however, this department has additional responsibilities. Periodic examinations may be necessary at more frequent intervals, the type of examination depending on the particular hazard. Special laboratory tests and/or X-ray examinations may be required, and a more intimate relationship should be maintained with the workers. The yardstick for measuring any program for the control of occupational diseases must be the health of the worker.

In a country where industry is largely operated by individual enterprise, the industrial medical service plays a particularly important role. Certain advantages are made available for employers and employees in both small and large plants, and a program of adult health maintenance is made possible for a large percentage of the population.

Office Employees' Unions

I. E. Elliott

The gradual but steady unionization of office workers represents a relatively new development in Canadian industrial relations. In this article, Mrs. Elliott discusses the history and current status of this development and presents a keen analysis of the reasons for it.

Over the last decade in Canada a relatively quiet but methodical new development has been taking place in the field of industrial relations. Management has suddenly found itself faced with the problem of dealing with a new segment of organized labor. The white collar workers in Canadian industry have been organizing slowly but surely, to the point where their numbers have reached significant proportions. Since the end of the war, special office worker unions have been formed, and normal plant unions have been taking office workers into their organization. It is the purpose of this article to examine this development, its extent and scope, and to analyze some of the factors which have contributed to it.

In 1951, in the manufacturing industries, 10% of all the office workers were included in collective bargaining units which were covered by collective agreements. The total number of establishments in which they were organized into trade unions was 174 with 13,880 workers. In comparison with the production workers, 50% of which are similarly covered by collective agreements, the proportion seems relatively small. But 10% is a significant percentage, especially in view of the fact that this area is so newly organized and is continuing to grow.

Reasons for the Slow Organization

The question that arises is why the white collar workers have been so slow to organize, and why they are now turning to joining the trade unions which they once felt were useful and pertinent only to employees in the plant. There are several reasons why the organization of office workers has lagged so far behind that of the production workers. Fifty years ago the office worker had better working conditions than those in the shop. Their salaries were regular; their hours were shorter and they had many benefits which were not enjoyed by the hourly-paid employees, such as vacations, sick pay, considerable lee-way on their

hours of work without having their pay docked; their work generally was cleaner and performed in more pleasant physical surroundings; and they had a much greater autonomy in their office procedures.

There was also a prestige value to being a white collar worker which was reflected in the fact that they earned "salaries", not "wages"; they went every day to "business", not to "the factory"; that they held "positions", not "jobs". Also, the formal educational requirements for office workers were higher and jobs were regarded as stepping stones up the scale to top management. The office worker was in close contact with top management, and did the same sort of work as his boss, which made him feel that he was more an extension of management than an extension of labor. Invariably there was a feeling of close identification with management.

Individual action was stressed more than the collective action which was represented by trade unionism, because of this identification with management and the fear of losing prestige by the association with a group who, in the main, served the factory. Again, the trade unions were associated with strikes and violence and the use of pressure methods, which was anathema to the more conservative white collar worker.

Probably one of the strongest reasons for the lag in office worker organization has been the high percentage of women employees in this work, who tend to regard their employment only as a temporary occupation before marriage, and who are therefore not too susceptible to the longer-range attractions of unionism. For example, in a survey of manufacturing establishments conducted by the Dominion Bureau of Statistics in 1951, it showed that the proportion of female office workers was as high as 42%, whereas only 21% of the hourly-rated wage earners were women.

It is only recently, too, that trade unions themselves have bothered with the office workers, probably due more to the fact that office organization is a much more expensive operation than plant organization costing roughly the same amount to organize three hundred people as it does thirty. Consequently, the time and money which would be required for organization of the much smaller office units, as compared to the plant units, rendered it an unprofitable enterprise.

Changes in Office Workers' Attitudes Towards Unionism

In the past few years there have been a number of changes in the conditions of work and status of the white collar worker that have not only rendered him more amenable and prone to organization, but in some cases have made him actually seek it.

Since the beginning of World War II, the office workers' economic status has declined sharply relative to that of the factory workers.

Between 1939 and 1948, the average yearly *wages* increased in Canada by 100%, while the average yearly *salaries* increased only by 55%. During the war, trade unions took many demands for increases to the War Labor Board when the wage freeze was in effect, in order to straighten out inequities in the wage structure. Office workers had no organization to plead for them in such cases before the Board, and consequently were not able to benefit themselves in this manner. Trade unions also managed to obtain such concessions for the factory workers as time-and-a-half for over-time work, bonuses, incentive pay, and shift differentials. In the post-war period, wages rose more sharply than salaries, and through trade union demands, the production workers gained for themselves the office workers' traditional fringe benefits — paid vacations, paid statutory holidays, paid sick leave, insurance, pensions, etc. The office worker can no longer claim substantially better conditions of work than the plant employee.

Working conditions in offices have also become less favorable. The increased scale of operations is such that the office has taken on most of the aspects of a factory itself. Large groups of clerical workers are being employed on repetitious tasks. The introduction of new office systems with greater specialization and standardization has resulted in a lessening of the degree of skill required to perform the work. Many office workers are now on as rigid production schedules as the plant, and the introduction of all manner of office machinery has rendered the work more mechanized, leaving room for little initiative, judgement or individual thought.

C. Wright Mills, the Associate Professor of Sociology at Columbia University, in his book, *White Collar*, remarks that, "The new office is rationalized: machines are used, employees become machine attendants; the work, as in the factory, is collective, not individualized: it is standardized for interchangeable, quickly replaceable clerks; it is specialized to the point of automatization. The employee group is transformed into a uniform mass in a soundless place, and the day itself is regulated by an impersonal time schedule. Seeing the big stretch of office space, with rows of identical desks, one is reminded of Herman Melville's description of a nineteenth century factory: 'At rows of blank looking counters, sat rows of blank looking girls with blank white folders in their blank hands, all blankly folding blank paper.' "

Probably a far reaching and significant factor in the change of the white collar outlook, has been the depersonalization of office workers. The boss is no longer the intimate associate, but is separated from the main office both socially and physically. This affects the personal sense of pride and status that the office worker obtained from his former close association with management, and has tended to make him turn

to the union to assert his lost independence, to find the opportunity to meet other employees, to exercise leadership, and to acquire the prestige in this area which he has lost on his job.

Just as pervasive a factor is the fact that office workers today are very rarely part of the pool from which the management team is drawn. The high degree of specialization and the repetition of one job has lessened the opportunity to learn about the firm's business as a whole. Management personnel is being drawn more and more from the outside, from University graduates and management specialists, rather than from office employees. Again, the feeling that promotion in an office is inevitable and more to be expected than in the factory no longer pertains. All these frustrations of the job are tending to make the office workers class conscious to the degree that they are looking now to collective action to obtain some of their lost goals and privileges.

Certainly one of the main causes of office unionism has been management's neglect of its office staff. Most firms pay little attention to the formulation of definite personnel policies for the office worker. Normally, everything has been left to the discretion of the office manager, and in the face of the concentrated concern of management for its factory personnel, the office worker feels neglected.

Probably the most blatant policy neglect has been in the area of office salary practices. Often the salary structure is unsound, inconsistent and inequitable, and has not been kept in line with factory increases. Salary secrecy, rampant in white collar work, lowers morale. The existence of wage grievances, because of this situation, has attracted many office workers to the unions as a means of getting more equitable wage treatment. Office unions make it their program to abolish this secrecy; to correct the unsound differentials between plant and office; to relate individual salaries to merit, performance and length of service; to pay women and men equally; and to gain uniform salary rates for similar jobs.

Management has also neglected the training of its own office supervision, although it has spent considerable time and money in devising internal training programs for its foremen and plant supervisors. Bad leadership, unchecked power, favoritism in the selection for promotion, has lead to the office workers' desire for protection from inefficient, unfair and unreasonable supervisors — capricious discharge, lay-off and transfers.

Because of management's failure to recognize the personal needs of the office worker, to provide efficient grievance procedures, and to rationalize salary structure and institute sound personnel policies, the office worker has felt compelled to turn to trade unionism to remedy what he feels to be serious wrongs.

The office workers' attitude towards unions, once so definitely hostile, has become much more favorable, due to the increasing awareness of their problems as a group which tends to result in group action. In conjunction with this change in outlook, trade unions have become respectable in the eyes of the community in recent years. They have grown in status, are more powerful, are favored by legislation and have been sanctified by the fact that many professional people have joined their ranks. Trade union officials have also gained in prestige and are more astute and business-like in their approach. No longer is it a loss of status or prestige to join a union. In recent years the office workers have also come to realize that they are now in reality an extension of labor, not management, and that the office revolution has levelled them much more effectively than any trade union could.

The president of one of the international office unions, in a quotation taken from The National Industrial Conference Board's study of white collar unionization, states that: "We are living in an organized world; this is typified in almost all types of human relationships today. It is typified by management organizations, by trade union organizations, by the associations existing among the members of the medical and legal professions. What has happened is that the office worker has awakened to find himself a lone individual in a world of organizations. To exist in such a world he finds he must practice the principles of organization with his own fellow office workers. Office organization is merely a completion of the organization cycle . . .", another powerful machine for unionization.

It is not only the changed white collar attitude that has caused this development, but changed union policies of organization. Unions have now become available to office workers. The production unions especially, since the main organizational work has been done amongst factory personnel, are now looking to the white collar field for further growth of their own numbers.

Extent and Scope of Office Unionization in Canada

It is of interest to note the extent and scope of office unionization in Canada as it has developed to date. We find two kinds of office worker organizations in operation: those made up exclusively of office and clerical workers, and those which are organized as a part of the production worker unions.

Of the office worker unions, there are three in existence in Canada. These are: the International Union of Office Employees, AFL-TLC; the American Newspapers Guild, CIO-CCL; and the Office and Professional Workers Organizing Committee, CCL. In total these office worker unions represent some thirty-nine establishments and 2,893 members.

By far the more active in the field have been the production worker unions, which have negotiated in the manufacturing industries some 36 agreements applying to 6,027 members. These production unions, which are now becoming more and more concerned with organizing the offices of the plants in which they are already established, are: the International Association of Machinists, the United Automobile Workers, the United Steel Workers, the United Mine Workers, etc.

In addition there are some mixed plant and office worker bargaining units, where some production worker unions have lumped together both production and office employees rather than organizing the office employees into a separate unit. These latter office workers are far outnumbered by the plant workers and comprise small office staffs or employees working at such jobs as time-keepers, or equipment clerks in the plant. There are 1,138 office workers belonging to such mixed bargaining units and are scattered through 76 establishments.

Finally, there are a number of independent employee associations, to be found for the most part, in electrical apparatus and supplies manufacturing establishments in the Province of Quebec. These make up some 3,822 members distributed throughout 23 office establishments. All provinces in Canada, except Prince Edward Island, have unionized office workers. However, almost 90% of the total number of office workers covered by collective agreements are concentrated in Ontario and Quebec. The former province accounts for about 60% of organized office workers; Quebec, 30%; British Columbia, 6%; Newfoundland, 3%; the remaining provinces make up the other 1%.

Thus far, the lead in office organization has been taken by the industrial unions. For one thing, such organization is part of stated CIO-CCL policy, and these unions have the financial backing to pursue it. Furthermore, the close contact between unorganized office workers and the organized production workers in a single plant renders the office worker here less isolated from unionism and consequently more prone to regard it favorably.

As already stated, it is cheaper for a trade union to carry on its organization drive in a manufacturing industry into the office, rather than concentrate on scattered commercial enterprises throughout the country. Part of the strategy has been to concentrate the activities in certain industries and key companies. Where the plant is already organized there is less employer resistance, and union organizers are already in close touch with the office and are on hand to act when they learn of discontent there.

Again, the appeal by the unions to the office workers is presented on a different level than that of the plant workers. The appeal is more to reason than to emotion. Management is seldom castigated in strong

terms because of the recognition of the still strong sentimental attachment by the office worker to management. The emphasis is on salaries and job security and those aspects of employment which are least satisfactory to the office worker. Greater use is made of personal contact, well-reasoned appeals, orderly procedures and business-like bargaining.

The basic clauses which are demanded by the so newly formed unions reflect the current concerns of office employees; they have to do with union security, wage increases, a job classification system, seniority and lay-off provisions, and grievance procedures.

One important strategic element which should not go unrecognized by management is that the strike weapon in the hands of the office workers is potentially much more powerful than that of the plant worker. The lack of a relatively few office workers for even a few days in a large industrial firm can cripple its total operations, even though the plant employees are in full attendance. However, it would be a rare occurrence for a plant worker to cross an office picket line where those office workers belong to his union.

It is not difficult, in view of the foregoing analysis, to understand why office unionism is developing and will no doubt continue to grow. One of the interesting aspects is that it has not yet taken hold in such large clerical establishments as banks, insurance companies and financial institutions. Probably part of the reason behind this is that there is here a total absence of any regular contact between the office group and an organized plant group. Furthermore, management in these institutions has tended to stress the need for sound personnel policies to an extent that has, as yet, precluded the necessity, in the employees' eyes, of organizing into unions to obtain recognition of their needs and settlement of their grievances.

The next few years will likely see the increased development of office unionism, particularly in the large, already organized manufacturing concerns, and increased demands for job evaluation to reduce the more patent inequities in the salary structure. Management is facing a new challenge, and if it feels that its office staff is such a part of the executive branch that unionization would be injurious to the welfare of the company, then it must concentrate on the implementation of personnel policies which will remedy, or at least be concerned with, the accumulation of grievances which have arisen from the changes in white collar status and work.

Salesman Selection and Training: A Key to Executive Development

F. W. P. Jones

This description of the thinking which one company did about selecting and training salesmen should be of great interest to all who are concerned with executive recruitment and development. Much of what Professor Jones discusses has application far beyond the sales field. His paper is based on an address given at the Spring Marketing Conference of the University of Michigan.

THIS is not an article on pigs, but the well-known nursery rhyme on that subject does illustrate the point I want to make. It goes like this: "One little piggy went to market, one little piggy stayed home." There is a message there for sales executives who are attempting to study the professional approach to sales.

Just for a moment think of that shining new product you sell. That is the little pig who went to market. Thousands, maybe millions of dollars, have gone into it at the product planning stage. Hours of midnight oil have been burned on the packaging. Production has been planned. Marketing research has pointed the way to sales and the advertising is ready to go. Yes, this little pig is at market in the shape of a parade of new products, highly promoted.

Yet what about the little pig that stayed home . . . because despite all of the planning, all of the producing, all of the spectacular sales increases we have enjoyed, it is just not good enough. Consumers today are gaining on us. Never have they piled up so much hard cash in their bank accounts. Facts reveal that the average buyer is spending considerably less of his available income than in the pre-depression years of 1928 and 1929, or the pre-war years of 1939 and 1940 — despite new products and post-war planning.

A psychologist will tell you that a consumer has many reasons for not buying — the fear of death, taxes, and ulcers, to name a few. Nevertheless, most experts on the subject agree that one of the greatest reasons for the cash piling up is that our sales and executive manpower no longer know how to sell. So for one little pig that went to market, there is one really important pig that is staying home.

Products, packages and promotions are fine, but the one way really by professional attack. That statement is made because of a firm belief

that while we need to bring back to business more hard selling, we should to put them to work is to raise salesmanship and executive development do so only on a plan based on analysis and thought rather than on a program conceived over our breakfast coffee. To illustrate how a professional approach can help with sales and junior executive development, the following is a description of the experience of my company in this area.

Obstacle to Growth

The day came when we could foresee many ingredients for great expansion. The industry had breath-taking new products for new uses, our country was growing rapidly, and the markets to which we aspired were prosperous. The stage was set except that we lacked the manpower with which to capitalize on this opportunity. Our advertising had been expanding, whereas our recruiting and training had been on a "stop-start" basis. Efficient shop practice had been introduced in the production area, while the salesforce lived from contest to contest. Our small product research department was modern and skilled, but many basic sales personnel issues had not been thought through. Like many companies who continue to make reasonable progress, we came to the sad conclusion that while we were spending real money on machinery and methods, we were spending a pittance on salespower.

Such a realization sooner or later comes to a great number of companies. A popular way to treat it is like reaching for the aspirin bottle . . . hire more men, get a patented new sales "gimmick", or let the boys hear a pep talk from some noted sales expert. That approach is like trying to fill a bathtub with the stopper out.

There is a better way, the way of diagnosis, based on careful study. Fortunately, at long last, that was the route we chose. We came to the realization that to have good salesmen, good junior executives, we had to *know*, not guess, what our men should be. An architect never would dream of building even a simple structure without plans and specifications. Yet we were trying to hire, train and operate manpower on the basis of "hunches" or sketchy information. Some branch managers had blind faith in the fact that the hearty "joiner" type was the formula for creative selling. Others pinned everything on the ability to make a high number of calls. The balance of our managers had some other criterion such as the man with a hearty handshake and a big head. Our organization was rich in rule-of-thumb information — the kind of facts that result in high turnover and below-par results.

Researching the Problem

What we really needed and proceeded to get was a MANPOWER SPECIFICATION based on actual facts. To obtain it we assigned a skilled observer to answer these questions. How did our salesmen spend

their day? What problems did they meet? What problems were they avoiding or missing? How did super-salesmanship stack up against reasoning ability? How adequate was their training? This data, straight from the field, formed the bone and muscle to construct on paper an ideal man for our task of sales.

Step two was to work backwards. These specifications were proven by comparing them with the qualities noted in our top performers, which gave us a strong case built on actual experience. This comparison lead to many surprises.

The great change was the first surprise. New markets and new products had created the need for a separate, special-purpose sales force. We found that for our regular-effort lines diligent, stable workers were required; the type of men who did well on routine assignments. Yet that type of man would surely fail in trying to establish the new glamour products for which men of high imagination and technical training were needed. That fact alone was a real key to future selection and development.

Next the popular myth of "selling the complete line", so often the theme of sales meetings, went overboard. Our findings showed that even within our routine products we could go farther faster by blocking out certain markets for calls by a single specialist. Another disclosure shed light on why progress was slow on a major line which had been recently introduced. Its sale was so different from anything we had ever tackled that our compensation and stimulation were all wrong. Once in a while all of us strike rich ore, and this analysis and the subsequent manpower specification that we developed were one of the most rewarding experiences anyone could hope to have.

The Appearance of Your Proposal

A blueprint for hiring is one thing, but good only if you can attract the type of men you want. We decided to take a long look at ourselves, and try to see ourselves from the eyes of future applicants. You get the best men only as you look interesting and offer something with strong appeal, especially in a seller's market for sales talent.

The first simple step we took was to study our salesmen's termination record and determine why people were leaving our employ. That study alone yielded some real clues which again were taken to some of our top salesmen for their comment. Their comments indicated four areas for renovation.

First of all, our pay plan was shown to be long on incentive, but too low on security. It was eight years since a major overhaul had been done, which human relations people say is at least three years late. Our

starting salary, too, was brought in line because we have found that it is false economy not to equal or exceed the going rate for the task in question.

An examination of our training program convinced us that our program was falling down in being too much what *we* wanted, and not what the *men* wanted or needed. Another place in training where we were falling down was that when a man finished his initial assignment he was not sure where he went from there. Job consultation and review corrected that. A third step was to designate at each and every warehouse a grievance clearing house. It was our discovery that men leave because no one is interested in their complaints and suggestions, their problems, their recognition.

Every company, large or small, has a special feature that can attract more and better men. It is our job to put across the facts. You must catalogue them and tie them together. Some large companies can do it on a really de luxe basis. Others, relatively small in size, may attract manpower by playing up the job specification, by emphasizing the training program, by showing them current advertising, by telling them success stories about their future associates. Being a relatively small company, we found that we could rely heavily on our associated manufacturers for the marvellous material that so many of them prepare but which we do not use.

We made one mistake which should be avoided. Knowing that we had to compete for manpower by putting our best foot forward, we at first tended to over-sell. Some of our managers were so enthralled with these new specifications that they failed to give applicants an appreciation that hard, intelligent work was still necessary before they reached the promised land.

Most companies today are worried about attracting sales power. We always seemed to be interviewing the dregs of the manpower market. Good men did not apply in the quantities we wanted, and there always seemed to be intense interest on the part of men who wanted to get rich quickly. Anyone with such a worry, will get a pleasant surprise from his work in laying down a manpower specification and streamlining the appearance of his proposition. In our own company, we found that as a result of the soul-searching we had been doing, not only did we get a lot of new ideas on manpower sources, but in the process of trying to put our best face before the audience, quite a good deal of interest had been stimulated. Good men began to approach us as they heard that we had corrected some of our faults, that we had a lot of new ideas and plans ready. You would be surprised how word gets around. For example, in preparing our job opportunity booklet, the printing salesman

with whom we worked told us about a couple of very good men whom he knew. They applied and we had two very fine salesmen, both of whom have graduated to executive levels. Goodwill is an intangible thing which works in the job market as well as anywhere else.

Dividends in Manpower

In the process of this study we found several unexpected sources of suitable manpower, the first of which came from a manpower inventory. Someone suggested that to be absolutely fair, an opportunity should be given to good material within our own ranks. It is so logical that it was the very point that we had handled wholly on a haphazard basis. At last we sat down and honestly catalogued with our managers their situation on likely recruits. Some of them had been personnel hogs who had selected good men whom they always kept in a junior capacity. As a result of this inventory in a relatively small company, we found eighteen men who were prime material for promotion.

Secondly, we realized that some of our better men had been brought to our attention by salesmen who were interested enough to tell us about them. Since that happened on an unorganized basis, it was felt worthwhile to apply an incentive to it. Each salesman was asked to contribute the names of three people he knew that would make good territorial salesmen. If one or more of these was selected, the salesman received his choice of several awards. This source yielded a lot of very fine material. For example, look at the efforts of one particular salesman who told two of his friends about our proposition. Both of these were hired, and from that source over a three-year period we got a total of twelve men, nine of whom became good, stable salesmen. Some have since graduated into higher company.

A third source of manpower which we discovered was the counselling service that exists in every community. As tax payers we are paying out millions for veterans' administrations, boards of education that maintain vocational guidance services, etc. Though we decided to use these organizations, results did not come until we saw the need to strike a close personal relationship with the counselor himself. The need for doing this shows up in university work. Some companies apply to us only spasmodically for men. Other companies are constantly close to us in offering facilities for field trips, access to company records for cases, and visits to the School to get to know people better. Similarly, in our own company experiences, we found that these counselling services yielded good men if we could take a little time to adequately demonstrate to them what we want.

A fourth source of manpower came from learning how to write a job advertisement that appealed. Our fine efforts were extremely poor

until we enlisted our advertising manager and our agency. We used test methods until we finally got a good piece of copy that appealed to the proper type of applicant. It should be remembered that your first efforts may not bring the desired results for the headline may be wrong or the media incorrect. May I submit, however, that it is a problem for your advertising manager working from your specifications.

Finally, we found that we were not attracting good men because we were not a force in the various communities. Every time we were asked to provide a speaker, we viewed it as a bore or a waste of time. When the Junior Chamber of Commerce were on a special drive, we gave them a cold stare. When municipal authorities wanted help, we regarded it as a necessary evil. The star salesmen in our company, when we asked them, told us that this sort of thing was hurting our manpower efforts. So it was! Speaking from personal experience, I found that by taking part in a series of lectures beamed at a group of young people who wanted to become future salesmen and advertising writers, good material for our executive ranks could be enlisted.

These are just a few highlights. We also found that by taking junior workers in the summer we got good applicants; that the small towns are not as competitive; that it is folly to try to steal men from your competitors. All of these things brought good men to our attention and brought us to the attention of good men.

Selecting Your Man

Once you have applicants, the problem becomes one of selection. Using our manpower specification and our "new look", all energies were devoted to the setting up of a searching interview — one with a dual purpose. That is, one that would tell the man what he wanted to know about us, while we were getting facts on him. Progress towards an ideal interview form has been continuous. What we are working toward is one that accomplishes what we believe to be the most important objective: *Making the Man Talk.*

The interview should not be a simple yes or no proposition. In our recent work we have discovered that the McMurray Patterned Interview forms accomplish nicely the purposes mentioned. It automatically gives you a form for rating and sets up a system of checks on a man's credit, health and history.

Several hundred interviews can result in the establishing of principles suited to your business. This is a short check list of some of the things that we discovered. First is the value of a preliminary interview with a date for a call back when certain data has been checked. It is surprising how many "drifters" this eliminates . . . those who never keep the

return dates. Of course, you always wonder whether you lose any earnest applicants this way. From the check we made, our answer is "no", since a serious applicant will keep a date or tell you why. A second principle was to have a man interviewed by at least two men who can compare opinions; for what one misses, the other notices. To be emphasized, too, is the importance of putting the man very much at ease so he can talk his way into or out of your heart while at the same time satisfying himself on your proposal. We learned also to get a man to be very specific as to references that mean something and a job record that is complete. You may have discovered as we did that what a man has done in the past he will continue to do in the future. The above relationships help you to discover this.

Out of the interview come many facts to explore further. Since the dividends for being thorough on this are tremendous, it is here that we put the greatest emphasis. For example, does the man have support at home? After a great deal of thought, we have come to the conclusion that if you want to choose men whom you can promote you should meet his wife and be assured of her enthusiasm for the work on which her husband is about to embark. Some wives do not want their husbands to be salesmen, nor do they want to move from place to place. This is particularly important if you ever hope to promote a man.

Closely associated is the check on the man's credit. If he is unable to manage his home affairs, he cannot manage a territory. The Retail Credit agencies have saved us many headaches from men who are over their heads in debt — the type of man who borrows from you, and worse still, from your customer. This report, too, yields a wealth of information on a man's neighbourhood background.

A further check deals with the importance of good health. Every man we employ is examined by our doctor on a test based on our business. A look at our case histories would indicate a variety of traps we have avoided. Constructively, on the other hand, there are many instances; I am glad to say, where a pre-hiring test has revealed certain conditions that once corrected make the candidate a desirable man.

While checking, it is well to look at a man's educational background. Strange as it may seem, we have found many men who are dishonest about this requisite. So, not only do you learn of this characteristic, but also whether a man has enough education for the task at hand.

Last, but probably most important, are the investigation of the job record and character reference, which we always check by telephone or personal interview. Requests by letter are a waste of time, for they bring out a man's good qualities, and do not reveal his shortcomings. In the

last five years, this type of face-to-face checking has saved us from criminals, narcotic cases and highly emotional characters. Fortunately, too, it has interested us in many cases where the initial interview only mildly stimulated us.

The final great source of manpower selection information is through the use of aptitude tests. This is becoming increasingly important in helping you to choose good men. Recently, while talking to approximately forty sales managers, I discovered that more than half of the audience were using either short form or long form psychological tests. The company with which I have been associated has not yet applied this important tool, but we are most interested and are continuing our development work toward this. Sooner or later, we hope to get the type of test that will direct our attention towards the man whom we might easily by-pass in favour of the big, breezy sales type.

T Day is Here

With selection done, training day is at hand. You are face-to-face with a group of men who will succeed in large measure as their indoctrination directs them.

My company stood at a common place on training. That is, we accepted the principle, but too much of our instruction was directed at trying to banish depression selling methods or war-time order taking. We were over the stage where we gave a man an order book and sent him on a territory, but we still depended too much on visits through the plant, a talk by the president, or education on how to write an order. Our training program badly needed overhauling, especially to give recognition to the new things that we had found out about our distribution methods. Also, our analytical salesmen told us that the trouble with our sales program was that too much of it was what we wanted and bore little relationship to actual conditions in the field. So again, armed with our manpower specification sheet, we decided that we would have three brief objectives. First, we took the viewpoint that these applicants were the managers of a territory. Second, at all times we tried to teach, think and train the profit idea. Third, we decided to stress the need for being creative in our selling. That is teach the men to be "imagineers", not to be content with a routine sales job.

The course content for our training program came not from talking to company executives, but by chatting with groups of men on the territory who told us to keep our training interesting. We failed where we relied on lectures. We succeeded when we got the trainees themselves listening, looking, acting, talking . . . films, tape recorded sales interviews, quizzes, skits, and trips to suppliers' plants all had that sparkling quality of keeping the group interested and excited.

Our blueprint also told us to watch the company executives who were contributing. We tried to infuse them with the importance of what training well done would mean to their departments. Neglect this, and you will find your own staff will shrug off training. They will be late for their lectures, or their talks will be dry as dust.

Any particular phase of training should not be overdone. Product knowledge, for example, is very vital, but we found at first we were turning out a class of "quiz" experts. They could talk glibly of wave lengths of light or buying power indexes, but they did not know how to get an order. Now we apply product knowledge to actual sales problems and customer arguments.

Give the men a package when they arrive, and a plan when they graduate. Nothing keys up your training as much as presenting the men the first day with your program, and their equipment to carry it out . . . manuals, samples, schedules, etc. On graduation, too, many fledglings got disgusted because they were not told what came next. Suddenly, too suddenly, they are on their own.

Trainees like to feel that this is only the initial period of your interest in them. They want you to tell them where they go from here, how you stand ready to evaluate them, stimulate them, help them.

Trying to cast up a training program course content has finally yielded up this formula — one based on what the men want and need:

Product Data	40%
Markets	20%
Sales Technique	30%
Company Organization	10%

On instruction we have tried several combinations. Our best success comes from the joint plan of seeing the product made or installed. Then in a classroom session we review it and get the men talking about where the product is sold, how it is sold.

Help Executives Emerge

The sample group of men whose progress we have been following on paper may now be presumed to be operating a territory. My premise is that men wisely chosen and thoroughly trained are a real key to future junior executives. They are men who have been taught to think profit management and creative selling. Nevertheless, they will not become executives unless some further thought is given to them.

The first thing to consider is that it is wise not to wait too long before promoting a man. Sometimes, particularly in Canadian companies, we have the theory that the man should be old and gray before he is advanced. Wait too long and you not only hurt the morale of your younger man, but the development of your company too.

There are several steps involved in encouraging men to emerge as executives. First, nominate someone in your organization to observe progress. Many larger companies are now actually establishing manpower development pools. That is a good step, but in a smaller company one individual can be charged with cataloguing, reviewing and evaluating your sales force, which will not only mark them for further education, but will many times prevent them from leaving the company. Selling is a lonely job and if the men get the idea that no one is interested in observing their results, they get a feeling of frustration. On the management side, observation gives you the opportunity to apply the thoughtful, analytical approach.

Secondly, it is very important to travel with men on their territories as a key to their executive capacities. Too many companies ignore field work or supervision. Working right with a man, not only provides an opportunity to get many useful ideas and meet his customers, but creates an excellent chance to appraise his capabilities. Closely akin is the personal touch in getting to know the man outside of business. Ask a salesman and his wife to your home, or organize a function to meet the group socially. You will be surprised at how this focuses attention on a man's special qualities.

Let's remember the importance of further training as a key to executive development. You can help him to learn both inside your firm and outside. The latter is demonstrated by the many excellent courses sponsored by trade associations, schools and universities. We found a good idea in making it easy each year is for certain promising men to learn management by participating in executive development courses, refresher sessions and special industry clinics. Such participation broadens a man and sharpens his thinking. Within the company, I would like to emphasize the importance of having a regular program of moving certain promising salesmen to inside duties. It is a tragedy to drop a top salesman too suddenly into an executive job. For better results, single out men to be shown from the office side how sales must tie in with production, purchasing and control. This can be done by letting them learn through assisting on certain jobs. Finally, under executive development we have discovered that it is an excellent idea to take men into your confidence. Some companies operate almost on a "cloak and dagger" basis, whereas actually business has few secrets. Men respond when they

are shown who makes a business "tick" in individual conferences and meetings. That way they develop executive thinking. They start to reason and analyse — powerful tools in any business.

This thought is offered in conclusion. Many businesses are flying on one wing. Product development and promotion is excellent but it takes manpower to really tap a potential. Too many companies are selling post-war products on a pre-war or depression-conceived selection and training program.

Merge product improvement with professional manpower methods and we will create markets that we do not know exist. The cash is there . . . the consumer is ready . . . it's up to us.

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